(CM) etc. which indicate that the export transaction costs in India are high due to various factors like procedural complexities, high interest rates, high transportation charges and multiplicity of rules and regulations etc. However, over the years, the Government have been striving hard to bring down transaction cost with a view to enhance export growth. With this objective in mind, **a** High Powered Committee on Transaction Costs of Indian Exports was constituted by Government in 1999 to identify transaction costs and to suggest measures/steps to reduce such costs. This Committee has since been converted into a High Powered Standing Committee on Reduction of Transaction Costs of Indian exports. The Standing Committee monitors and reviews the progress of the operational initiatives undertaken with a view to reduce transaction costs and facilitate export growth. To bring down the transaction cost, during the current year high emphasis has been given in the Foreign Trade Policy to simplify the procedures, to issue the import-export licences online and to link the various community partners like Banks, Customs and Directorate General of Foreign Trade (DGFT) through Electronic Data Interface (EDI). Time limits have been prescribed for issuance of various licences and related operations have been fully computerized in 32 regional offices of DGFT. At present approximately 70per cent import-export licences are being issued online. In fact, a recent survey done by the Exim Bank indicates that the transaction costs of Indian exports have come down significantly due to these initiatives taken by the Government.

Export of major commodities to Pakistan

1006. SHRI K. RAMA MOHANA RAO:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that export of India's seven major commodities— iron ore, iron and steels, plastic products, sugar, machinery and instruments, residual chemicals and spices to Pakistan declined by 50 per cent to US $ 30 million during 2002-03;

(b) the reasons for the negative export growth; and

(c) the measures Government are taking or propose to take to increase its exports to Pakistan during the current year and in the coming years?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) India's total trade with Pakistan has registered a positive growth of 43 per cent from US$ 144.01 million during 2000-01 to US $ 206.16 million during 2002-03 Even export of commodities like iron ore, iron and steel, plastic and linoleum products, machinery and instruments, residual chemicals and spices, has increased from US $ 35.90 million during 2001-02 to US $ 54.86 million during 2002-03 registering a positive growth of 50 per cent. However, export of sugar had shown a declining trend from US $ 42.75 million during 2001-02 to US $ 6.38 million during 2002-03. There is no specific reason for the decline in the export of this product except that volume of trade is primarily determined by various economic factors including, *inter-alia,* demand and supply, price competitiveness and alternative sources of supply available to the importers.

(c) Pakistan and India are signatories to the South Asia Free Trade Area (SAFTA) Agreement which is scheduled to come in to effect from 1.1.2006 and will give a significant boost to bilateral trade between the two nations. As a part of the Composite Dialogue, a meeting on Economic and Commercial Cooperation with Pakistan was held at Commerce Secretaries' level on 11 -12 August, 2004 in Islamabad for giving a positive direction to the economic activities between the two countries. Commerce and Industry Minister participated in the 4th SAARC Commerce Ministers Meeting in Islamabad on November 22-23, 2004. On this occasion, Commerce Ministers of India and Pakistan had a separate interaction to lay down a road map for promoting trade between the two countries. They agreed to set up a Joint Study Group at Commerce Secretaries' level for evolving a strategy for boosting trade between India and Pakistan. Of late, there has also been a visible increase in business to business dialogue through exchange of visits and participation in trade fairs and exhibitions, etc.

Infrastructure improvement to boost exports

1007. SHRIMATI N. P. DURGA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government propose special policies to increase private investment in ports, railways etc., in a bid to improve infrastructure facilities in the country so as to achieve the export target of 21 per cent; and